

EXHIBIT F

INSURANCE REQUIREMENTS

I. INSURANCE REQUIREMENTS

The Concessioner shall obtain and maintain during the entire term of this CONTRACT, at its sole cost and expense, the types and amounts of insurance coverage necessary to fulfill the obligations of the CONTRACT, and all such insurance shall include coverage for terrorism both certified and uncertified.

With the exception of statutory Workers' Compensation insurance protection, the National Park Service (Service) shall be named as an additional insured under all insurance policies issued or arranged in support of this agreement. All insurance coverage provided for the benefit of, or evidenced to the Service is not to be impaired by any act of the Concessioner, its agents, servants or employees. The Concessioner will ensure that its insurance carriers provide that the Service shall, solely for its benefit, be provided an unconditional 30 day advance notice of cancellation, non-renewal or material change in coverage or policy terms for all coverage issues. The term National Park Service shall by definition and where appropriate and legally permissible, also include the term United States Government/United States of America.

The amounts of insurance and coverage terms indicated are not intended as a limitation of the Concessioner's responsibility or liability under the CONTRACT, but rather an indication as to the minimum type(s), amount(s) and scope of insurance that the Service considers necessary to allow the operation of the concession facilities at its park. Nevertheless, if the concessioner purchases insurance in addition to the limits illustrated herein, the Service will receive the benefits of the additional amounts of insurance without additional cost to the Service.

II. LIABILITY INSURANCE

The following Liability Coverages are to be maintained at a minimum, all of which, unless noted herein, are to be written on an occurrence form of coverage by an insurance company licensed to do business within the State of the operations and having an A.M. Best's rating of no less than A-, and a financial category rating of no less than VII. The Concessioner may attain the limits specified below by means of supplementing the respective coverage(s) with Excess or "Umbrella" Liability. (See item #3 excess or umbrella liability insurance policy).

A) Commercial General Liability Insurance

- 1) Coverage will be provided for bodily injury, property damage, personal or advertising injury liability (including contractual liability arising out of personal injury and advertising injury liability) and products/completed operations liability insurance protection. The following minimum limits of liability * are to be provided:

Bodily Injury and Property Damage Limit

General Aggregate	\$25,000,000
(1) Products & Completed Operations Aggregate	\$10,000,000
(2) Per Occurrence	\$10,000,000
(3) Personal Injury & Advertising Injury Liability	\$10,000,000
(4) Medical Payments	\$ 50,000
(5) Fire Damage Legal Liability "per fire"	\$ 50,000

*or those minimum limits required by the Umbrella/excess liability insurer

- 2) The liability coverages may not contain the following exclusions/limitations:
- (a) Athletic or Sports Participation
 - (b) Products/Completed Operations
 - (c) Personal Injury or Advertising Injury
 - (d) Contractual Liability
 - (e) Explosion , Collapse and Underground Property Damage
 - (f) Total Pollution exclusion
 - (g) Watercraft limitations affecting the use of watercraft in the course of the concessioner's operations (unless separate Watercraft coverage is maintained)
- 3) For all lodging facilities and other indoor facilities where there may be large concentrations of people, the pollution exclusion may be amended so that it does not apply to the smoke, fumes, vapor or soot from equipment used to heat the building.
- 4) If the policy insures more than one location, the General Aggregate limit must be amended to apply separately to each location, or, at least, separately to the appropriate NPS location(s).

B) Automobile Liability Insurance, including Garage Operations

Coverage will be provided for bodily injury or property damage arising out of the ownership, maintenance or use of “any auto,” Symbol 1. (Where there are no owned autos, coverage applicable to “hired” and “non-owned” autos, “Symbols 8 & 9,” shall be maintained.)

Bodily Injury and Property Damage (combined) \$10,000,000 per occurrence*.

*or those minimum limits required by the Umbrella/excess liability insurer

C) Protection and Indemnity

Coverage for bodily injury and property damage to include loss of life or personal illness to any person, liability for hospital, medical and other expenses in connection with personal injury or loss of life or illness of any person, liability for damage to other vessels or property on board caused by collision, property damage not caused by collision, liability for damage to docks, piers, cables, beacons, buoys, breakwaters or to any fixed immovable property.

Each Vessel will be covered to a limit of \$10,000,000 and evidence of insurance will designate each vessel by name, indicate the applicable limit of insurance, and the navigational limits of the coverage.

D) Excess Liability or Excess “Umbrella” Liability

This coverage is not required, but may be used to supplement any of the above Liability coverage policies in order to arrive at the required minimum limit of liability. If maintained, coverage will be provided for bodily injury, property damage, personal or advertising injury liability in excess of scheduled underlying insurance. In addition, coverage shall be at least as broad as that provided by underlying insurance policies and the limits of underlying insurance shall be sufficient to prevent any gap between such minimum limits and the attachment point of the coverage afforded under the Excess Liability or Excess “Umbrella” Liability policy.

Note: An excess or “umbrella” liability policy may be used to achieve the commercial general liability and automobile liability limits outlined above. However, if a lower limit of liability is used for a subordinate policy, then the limit of liability under the umbrella policy must be that limit necessary to achieve the full limit of liability required for the subject policy. For instance, assume the General Liability policy requires a \$2M limit of liability. If the limit of liability provided under the General Liability policy is \$1M, then the umbrella policy must provide a limit of at least \$1M to provide the total requirement of \$2M. Since the Umbrella/Excess policy applies over both the automobile and the commercial general liability policy, a single limit under the excess policy is all that will be required.

The umbrella liability policy coverage shall be at least as broad as that provided by underlying insurance policies and the limits of underlying insurance shall be sufficient to prevent any gap between such minimum limits and the attachment point of the coverage afforded under the Excess Liability or Excess "Umbrella" Liability policy. If the coverage afforded by the excess or umbrella policy results in limits greater than the limits required hereunder, then the greater limit shall be available to the NPS in the event of a loss.

E) Environmental Impairment Liability

Coverage will be provided for bodily injury, personal injury or property damage arising out of pollutants or contaminants (on site and/or off site).

Each Occurrence or Each Claim Limit	\$3,000,000
Aggregate Limit	\$5,000,000

F) Special Provisions for Use of Aggregate Policies

At such time as the aggregate limit of any required policy is (or if it appears that it will be) reduced or exhausted, the Concessioner may be required to reinstate such limit or purchase additional coverage limits. The General Aggregate under the Commercial General Liability policy must apply on a "per location" basis. The Certificate of Insurance required herein will note compliance with this aggregate provision.

G) Self-Insured Retentions

Self-insured retentions on any of the above described Liability insurance policies (other than Excess "Umbrella" Liability, if maintained) may not exceed \$10,000 without prior approval of the Director.

H) Workers Compensation & Employers' Liability

Coverage will comply with the statutory requirements of the State(s) in which the Concessioner operates. The State(s) of concession operations must be specifically included for coverage under the policy. The Employers Liability limit will not be less than \$1,000,000. Coverage will expressly include insurance under the Longshore and Harbor Workers' Compensation Act (USL&H).

III. PROPERTY INSURANCE

A) Building(s) and/or Contents Coverage

- 1) Insurance shall cover buildings, structures, improvements & betterments and/or contents for all Concession Facilities, as more specifically described in Exhibit D of this CONTRACT.
- 2) Coverage shall apply on an “All Risks” or “Special Coverage” basis.
- 3) The policy shall provide for loss recovery on a Replacement Cost Basis (without deduction for physical depreciation).
- 4) The amount of insurance, except for the inventory, should represent no less than 100% of the Replacement Cost value of the sum total of all insured property. Inventory shall be insured at 100% of the selling price of the products held for sale.
- 5) The coinsurance provision, if any, shall be waived or suspended by an Agreed Amount or Agreed Value clause.
- 6) Coverage is to be provided on a blanket basis, real and personal property.
- 7) The Vacancy and unoccupancy restriction, if any, must be eliminated for property that will be vacant or unoccupied beyond any time period specified in the policy.
- 8) Ordinance or Law, demolition and increased cost of construction Coverage shall be maintained with a limit of not less than the building replacement value (without deduction for physical depreciation).

B) Boiler & Machinery Coverage

- 1) Insurance shall apply on the “comprehensive” basis of coverage including all objects within the Concession Facilities.
- 2) The policy shall provide for loss recovery on a Replacement Cost Basis (without deduction for physical depreciation).
- 3) The amount of insurance should represent no less than 90% of the Replacement Cost value of the sum total of all insured property.
- 4) The coinsurance provision, if any, shall be waived or suspended by an Agreed Amount or Agreed Value clause.
- 5) Coverage is to be provided on a blanket basis.
- 6) If insurance is written with a different insurer than the Building(s) and Contents insurance, both the Property and Boiler insurance policies must be endorsed with a joint loss agreement.

- 7) Ordinance or Law, demolition and increased cost of construction Coverage shall be maintained with a limit of not less than the replacement value (without deduction for physical depreciation).

C) Hull and Machinery Insurance

Insurance shall cover all property including hulls, launches, lifeboats, rafts, furniture, bunkers, stores, supplies, tackle, fittings, equipment, apparatus, machinery, boilers, refrigerating machinery, insulation, motor generators, and other electrical machinery to include navigation aids and communications equipment. The policy shall provide automatic coverage for all newly acquired vessels.

The limit of coverage for each vessel will be the Replacement Cost, new for old, without deduction for depreciation.

Evidence of insurance will designate each vessel, the amount of insurance applicable to each, and the Navigational Limits of coverage.

D) Builders Risk Coverage

- 1) Insurance shall cover new buildings or structures under construction at the Concession Facilities, and include coverage for property that has or will become a part of the project while such property is at the project site, at temporary off-site storage and while in transit. Coverage must also apply to temporary structures such as scaffolding and construction forms.
- 2) Coverage shall apply on an "All Risk of loss" or "Special Coverage" basis.
- 3) The policy shall provide for loss recovery on a Replacement Cost Basis (without deduction for physical depreciation).
- 4) The amount of insurance should represent no less than 90% of the Replacement value (without deduction for physical depreciation) of the insured property.
- 5) The coinsurance provision, if any, shall be waived or suspended by an Agreed Amount or Agreed Value clause.
- 6) Any occupancy restriction must be eliminated.
- 7) Any collapse exclusion must be eliminated.
- 8) Any exclusion for loss caused by faulty workmanship must be eliminated.

E) Business Interruption and/or Expense

Business Interruption insurance and extra expense insurance must cover the loss of income and continuation of fixed expenses in the event of damage to or loss of Concession Facilities, including, without limitation and with respect to the interests of the Service, the loss (or reduction) of franchise fee payments to the Service by the Concessioner. Extra Expense insurance shall cover the extra expenses above normal operating expenses to continue operations in the event of damage or loss to covered property. The coverage to be provided shall be at least that calculated as follows:

Anticipated annual Gross revenue from operations:	\$ _____
Less non-continuing expenses:	(\$ _____)
Total:	\$ _____
Prorated by ratio of days of operation over 365 =	x <u>percentage</u>
Business Interruption limit:	\$ _____

F) Deductibles

Property Insurance coverages described above may be subject to deductibles as follows:

- 1) Direct Damage deductibles shall not exceed the lesser of 10% of the amount of insurance or \$25,000 (except Flood & Earthquake coverage may be subject to deductibles not exceeding \$50,000).
- 2) Extra Expense deductibles (when coverage is not combined with Business Interruption) shall not exceed \$25,000.

G) Required Clauses

Loss Payable Clause:

A loss payable clause similar to the following must be added to Buildings and/or Contents, Boiler and Machinery, and Builders Risk policies:

“In accordance with Concession Contract No. CC-STLI001-07 dated _____, between the United States of America and [the Concessioner] payment of insurance proceeds resulting from damage or loss of structures insured under this policy is to be disbursed directly to the Concessioner without requiring endorsement by the United States of America.”

IV. CONSTRUCTION PROJECT INSURANCE

Concessioners entering into contracts with outside contractors for various construction projects, including major renovation projects, rehabilitation projects, additions or new buildings/facilities, which construction, renovation or addition affects facilities within the park or such facilities outside the park that are critical to the concessioner's operations under this contract, will be responsible to ensure that all contractors retained for such work maintain an insurance program that adequately covers the construction project.

The insurance maintained by the construction and construction-related contractors shall comply with the insurance requirements stated herein (for Commercial General Liability, Automobile Liability, Workers' Compensation and, if professional services are involved, Professional Liability). Except for the workers' compensation insurance coverage, the interests of the Concessioner and the United States shall be covered in the same fashion as required in the Commercial Operator Insurance Requirements. The amounts/limits of the required coverages shall be determined in consultation with the Director taking into consideration the scope and size of the project.

V. INSURANCE COMPANY MINIMUM STANDARDS

All insurance companies providing the above described insurance coverages must meet the minimum standards set forth below:

- 1) All insurers for all coverages must be rated no lower than A- by the most recent edition of A.M. Best's Key Rating Guide (Property-Casualty edition).
- 2) All insurers for all coverages must have a Best's Financial Size Category of at least VII according to the most recent edition of A.M. Best's Key Rating Guide (Property-Casualty edition).
- 3) All insurers must be admitted (licensed) or approved in the state in which the concession operation(s) is (are) located.

VI. CERTIFICATES OF INSURANCE

All certificates of Insurance required by this CONTRACT shall be completed in sufficient detail to allow easy identification of the coverages, limits, and coverage amendments that are described above. In addition, the insurance companies must be accurately listed along with their A.M. Best Identification Number ("AMB#"). The name, address and telephone number of the issuing insurance agent or broker must be clearly shown on the certificate of insurance as well.

Due to the space limitations of most standard certificates of insurance, it is expected that an addendum will be attached to the appropriate certificate(s) in order to provide the space needed to show the required information.

In addition to providing certificates of insurance, the Concessioner, upon written request of the Director, shall provide the Director with a complete copy of any of the insurance policies (or endorsements thereto) required herein to be maintained by the Concessioner.

The Certificate of Insurance shall contain a notation that the insurance coverage represented therein complies with the provisions of this agreement as outlined in Exhibit F.

The notice of cancellation provision of the certificate shall have any and all qualifying language such as: "We will endeavor to provide" or "failure to provide said notice will not place any liability upon the company or its representative" deleted from its terms.

VII. STATUTORY LIMITS

In the event that a statutorily required limit exceeds a limit required herein, the higher statutorily required limit is to be considered the minimum to be maintained. In the event that the statutorily required limit is less than the limits required herein, the limits required herein shall control.